GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7810
ANSWERED ON:17.05.2002
COMPENSATION TO VICTIMS OF TERRORISM
SUNDER LAL TIWARI

Will the Minister of FINANCE be pleased to state:

(a) whether the insurance companies do not provide any compensation to the claimants in the cases of deaths due to war, riots, murder or terrorists attack; and

(b) if so, the time by which the Government is likely to enact a law to include these eventualities?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): While Personal Accident Policies issued by the general insurance companies cover death or disablement resulting solely and directly from an accident and do not exclude the risks of riot, murder or terrorist attack, no compensation is payable under these policies in respect of death, injury or disablement of the insured person directly or indirectly connected with or traceable to war. However, the Life Insurance Corporation of India does pay the basic sum insured plus bonus, if any, to the nominee of the policy holder if the policy holder`s death is due to war, riot, murder or terrorist attack but the accident benefit, even if opted for, is not paid.

(b): The Question does not arise since losses arising due to war, invasion, acts of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, etc. are not covered under accident insurance policies the world over.